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C O N F I D E N T I A L SECTION 01 OF 02 PORT AU PRINCE 001105

SIPDIS

STATE PLEASE PASS TO US DEPARTMENT OF TRANSPORTATION
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STATE PASS DHS/TSA FOR ROBERT L. GREENE,
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E.O. 12958: DECL: 07/24/2018

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SUBJECT: HAITI - CAP HAITIEN AIRPORT IMPROVEMENTS DELAYED
DUE TO LACK OF FUNDS AND BUREAUCRATIC INERTIA

Classified By: CDA T.C. Tighe for reasons 1.4 (b,d)

Summary

11. (C) Modernization and expansion of Haiti's second busiest airport -- Cap Haitien International Airport -- is experiencing delays due to Venezuela's failure to provide promised funds, and slow provision of financing and other resources by the Ministry of Public Works and Transport (TPTC). The airport site has been prepared for construction work to modernize facilities and expand the runway to facilitate additional flights, but a request for bids for that work has yet to be released. Airport officials worry that Venezuela's holding back funds and inaction by the current lame-duck cabinet are exacerbating delays and robbing Haiti's northern region of increased passenger traffic that will bring in more revenue for the airport and the region.
End summary.

Preparatory Work Stalled

12. (SBU) The project to modernize and expand the international airport in Cap Haitien, Haiti's second-largest airport, is beset by delays. Preparatory work is mostly complete: a good portion of the perimeter fencing has been built, and the project has acquired properties required to expand and secure the airport. But work has not begun to modernize the airport to meet ICAO standards, expand flight volume and allow night flights. The project is still awaiting the financing for these efforts promised by Venezuela.

13. (U) Coordinator for the International Airport of Cap Haitien Jean-Joseph Larosiliere told Econoff July 16 that progress on airport expansion/modernization to date includes acquisition of most properties on the perimeter of the airport, except for 20 homes that remain to be acquired, and construction of a portion of runway perimeter fencing.

14. (U) Econoff observed during a site visit: completion of approximately 50-60 percent of the perimeter fencing; cleared areas where properties had been demolished; a structurally dilapidated approach tower; and a sizeable concrete slab in good condition adjacent to the existing runway. This concrete pad will be resurfaced and connected to the existing runway. No engineers, technicians or construction workers were observed at the site. Larosiliere estimated that the extended runway would be able to accommodate larger airplanes with passenger capacity similar to the Airbus 319 and 320, as

well as Boeing 737s and 757s.

¶5. (C) Larosiliere expressed disappointment that funds promised by Venezuela to extend the runway, to acquire remaining properties, complete perimeter fencing (now 60 percent complete), construct a new passenger terminal, provide runway lights and navigational instruments, and renovate the existing control tower have not yet materialized. He believed Venezuela remains committed to funding the improvements and blamed the delay on TPTC failure to assign engineers and technicians to the project as well as the ministry's unwillingness to absorb labor and other costs (e.g., property acquisition, perimeter fencing, roadway reconstruction) due to Haiti's lack of a government. (Note: The Senate voted April 12 to dismiss the government of Prime Minister Alexis, and the legislature has yet to confirm a new Prime Minister and cabinet. End Note)

The Real Modernization Project Still a Long Way Off

¶6. (U) Cap Haitian Civil Aviation Authority (OFNAC) Director Philippe Lubin told Econoff July 16 that as part of the airport modernization project, the approach tower will be heightened, new equipment will be installed, and additional air traffic controllers will be hired. He said he hopes to expand OFNAC staff from the current level of twenty-eight to forty or fifty. These efforts are currently on hold pending funds.

¶7. (SBU) Larosiliere worried that slow progress is preventing the airport from attracting increased air traffic (especially

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international) and realizing the associated increased revenues for the airport and government. Currently, the airport can accommodate smaller aircraft for up to 10 domestic and 6 international flights during the daylight period. Night flights are not permitted since there are no runway lights.

¶8. (SBU) Larosiliere said once the preparatory work resumes, a French contractor will evaluate the work consistent with ICAO guidelines, and then a request for bids to modernize and expand the airport could be offered within 9 to 10 months. Larosiliere said he was satisfied that any increase in fuel requirements and associated costs, resulting from increased air traffic, could be met despite high fuel prices. (Note: Econoff observed a Texaco fuel tank -- adjacent to the site -- which is exclusively for the use of aircraft. End note.)

Delays Have Been Building a Long Time

¶9. (C) The delay in Venezuela's financing goes back at least to April of this year. TPTC Minister Frantz Verella told Econoff and TSA representatives April 29 that he expected the conclusion of a loan agreement from Venezuela April 30. The USD 28 million loan would cover improvements at Toussaint Louverture National Airport and Cap Haitien International Airport. Verella said he traveled to Venezuela April 21 to discuss specific contract terms and said the Venezuelans only wanted to 'verify consistency between the contract's Spanish and French language texts.' Verella said that 'with the Venezuelans, seeing is believing.' Verella subsequently told Ambassador June 18 that Haiti and Venezuela signed a protocol agreement for Cap and Toussaint Louverture airport improvements that included this loan, but that no funds had yet been received.

Comment

¶10. (C) Delays in Venezuela coming through on its promise, TPTC bureaucratic inertia and human resource capacity constraints, and the inability of the government to engage in

new contractual/loan obligations with other governments have hampered progress. There appeared to be real demand for increased flights to and from Cap Haitien. Econoff observed on departure from Port-au-Prince and return from Cap Haitien that the planes (approximate 16-20 passenger capacity) were full to capacity, with many passengers planning to take a subsequent flight due to lack of available seats. (Note: Under current road conditions, the overland transportation from Port-au-Prince to Cap Haitien is an arduous 6-7 hour journey. End Note.)

¶11. (C) Full flights and waiting lists at both airports appear to indicate real demand for additional domestic and international flights to Cap Haitien. During the site visit at the Cap airport, Econoff observed flights arriving from the Bahamas, Ft. Lauderdale, and Miami. Each flight appeared full. We note that a high proportion of travelers from the U.S. Haitian Diaspora, particularly those residing in South Florida, are originally from the Cap Haitien region and other parts of northern Haiti, and they grate at the cost and inconvenience of having to transit Port-au-Prince when visiting Haiti.

¶12. (C) Expanding the capacity of the Cap Haitien airport will help expand tourism and investment in Haiti's northern region, which features excellent beaches and the well-known Citadelle, a monument on the UN's list of historic places and one of Haiti's few internationally known tourist attractions.

Cap Haitien is the only airport in the northern region and lies only miles from the Labadee beach resort, which is leased by Royal Caribbean Cruise Lines on specific days and open to the public on others. End note.) Given the current delays over forming a new government, and Venezuela's habit of committing to but not providing funding, further delays in modernizing this crucial transportation site are likely to continue.

TIGHE